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NATIONAL INTELLIGENCE DAILY

## More Years of Military Rule Ahead

## Chile's Junta Bent on Depoliticizing Institutions in Second Year

Chile's military junta begins its second year with an unflinching determination to depoliticize the institutions of the state by keeping them in civilian hands.

The prospect is for at least several more years of military government, but the chances of that rule's ending. Conservatives are working for influence with military populists, and junta President Pinochet appears to have assumed much more.

During his first 12 months in office, he has remained behind the surface, in part to avoid a head-on confrontation of the military's role in maintaining armed forces and in part because the military's plans for retirement are a hot topic. There have, nevertheless, been limited moves toward less austere economic policies and a less ironclad role of government.

The de facto president of Pinochet and his army was able to formalize in June when the junta's chief of state visited the United States. He is president and declared himself "supreme chief of the nation." When necessary, the army was assigned to the cabinet posts, with only three civilians each of the other services and three to civilians. Although Pinochet's prerogatives remain restricted, he has made the most of his position.

## Economic Troubles

Pinochet, announced on September 11—the anniversary of the military take-over—that the government was moving to arrest the decline in real wages that has brought hardship to workers, especially those at the lower end of the income scale. Most incomes have failed to keep pace with spiraling prices, despite a series of wage increases and bonuses.

The new government policy calls for automatic quarterly wage adjustments to keep pace with the cost of living. This provision appears to be a victory for moderate officers, who have been urging that political factors be given more weight in economic policy making.

The wage adjustments will help prevent discontent with economic mismanagement from becoming a general opposition to the government, but they will hinder the fight against inflation, the country's most pressing economic problem.

The inflation rate in July and August was somewhat below the monthly average for the first half of 1974. If the lower rate is maintained, inflation for the year will total about 350 percent, compared with the 710 percent registered in 1973.

Overall, Chile's economic outlook is clouded by falling world copper prices. Production will increase next year, but if prices remain low, export earnings will drop. Fuel is also a problem. Storm damage and delayed plantings will mean a continued need for a million tons of imported wheat.

With the price of imported fuel high, large foreign credits and another debt rollover will be required to prevent a serious balance-of-payments deficit next year.

## Human Rights

Pinochet, in his anniversary speech, declared that the government was ready to release many political prisoners, and challenged Cuba and the Soviet Union to do likewise. Some prisoners are now being released.

The government recognizes that its repressive policies have hurt Chile's international standing. Its subsequent inability to purchase arms from the usual suppliers has been a key factor in prompting the junta to curb abuses of human rights.

Pinochet has also forbidden torture, stopped an end to summary executions, and declared that overreliance on military force will be severely punished. Death sentences decreed by the military courts are not being carried out; many long prison sentences have been reduced.

There continue to be reports of



Junta President Pinochet (L) and Air Force Chief Guzmán (R) greet children in Santiago earlier this month.

violations of these policies. The government's imposition of new state of siege provisions casts doubt on whether ending the state of internal war will have significant effect on government procedures involving prisoners, trials, and appeals.

Pinochet in his speech called for closer cooperation between the armed forces and the public and for increased civilian participation in the government. This will may result in efforts of government units to politically independent individuals. Distrust of professional politicians in general, hypersensitivity to criticism, and a preference for the military way make it unlikely that the junta will seek support of organized parties.

Right-wing civilian activists to the military government had hoped to channel the considerable amount of popular goodwill into a non-partisan "national civil-military movement," but Pinochet—perhaps because of military opposition to this idea—made no mention of it in his anniversary speech.

The Christian Democratic Party, once Chile's largest, remains divided and in disarray. It is discredited by such govern-

ment statements as Pinochet's declaration that political parties are the "symbols of national divisiveness and decay" and that their activities will have to be suspended for many more years. Christian Democratic leaders seem convinced that a posture of neutrality toward the military government is the best they can strike of a difficult situation. The military does not want an open break with the party and seems content with its nebulous status.

## The Opposition

Some Chileans are implacably opposed to the military government. The major leftist groups, which have suffered most from the downfall of Allende, are trying to reorganize, but the process has been halting at best. Factional divisions similar to those that impeded unified leftist action during the Allende years now complicate an already difficult underground existence.

Most leftists in Chile believe that armed violence would be counterproductive, but extremists do not accept this view. Weapons are available to those inclined to use them, but any plans for action probably have been set back by government successes in its continuing campaign

against potential terrorists.

Leftist exiles have been busy seeking foreign support, trying to form new coalitions, and thinking of ways to harass the junta from abroad, but few appear anxious to return to their country and fight.

## Concern About Peru

Peru's military buildup and expansionist ideas about the territory lost to Chile in the War of the Pacific (1879-1883) is the junta's current foreign policy headache. Chile's main concern in this situation is its inability to match Peru's recent arms acquisitions—especially Soviet tanks—with modern arms of its own.

Chilean military men are keenly disappointed over the difficulty they have had in obtaining arms from the US, their chief supplier. The armed forces believe that by ousting Allende's Marxist regime they not only saved their own country but they also inflicted a defeat upon international communism for which the entire free world—especially the US—should be grateful.

The Chileans find US hesitation about certain defense requests particularly galling in light of continued US arms sales to Soviet-supplied Peru.

These frustrations are leading the government to look elsewhere for arms. The junta realizes it can ill afford a serious deterioration of relations with the US, however, and wants to keep ties as strong as possible.

With this in mind, amicable settlements have been made in the case of two US employee mines expropriated in the Allende years; negotiations are progressing on the third.

On the other hand, international hostility toward the junta remains strong, and there will be times when Chile's effort to avoid isolation may lead Santiago to side with the nonaligned nations against the "superpowers," especially an economic issue.

## Outlook

If all goes reasonably well for the junta, military rule in Chile could be more benevolent in its second year. The trend in this direction is at best tenuous, however, and it could be turned around by:

- Economic reverses and an erosion of popular support.
- Leftist violence and a harsh reaction to it.
- Death or incapacity of Pinochet, which could lead to army-navy friction over the junta's presidency.
- A confrontation with Peru.

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